

HAUTE HORLOGERIE: PPR BECOMES MAJORITY SHAREHOLDER OF SOWIND GROUP

The transaction allows PPR's Luxury Group to strengthen its presence in the haute horlogerie segment while supporting Sowind Group's international development. Sowind Group includes the Haute Horlogerie brands Girard-Perregaux and JeanRichard. Francois-Henri Pinault becomes Chairman of Sowind Group, alongside Monica Mailander Macaluso, who becomes Vice-Chairman.

La Chaux-de-Fonds (Switzerland) – Paris (France) – July 4, 2011. Sowind Group and PPR jointly announced today the launch of a reserved capital increase of Sowind Group that will be fully subscribed by PPR. PPR will then become the majority shareholder of the company with a 50.1 % stake. PPR already owned a 23 % share based on a strategic partnership agreement signed in 2008 with Sowind Group, then controlled by Luigi Macaluso since 1992. Sowind Group, which is one of the last independent Swiss watchmaking manufactures, has a presence in 60 countries, namely with the Girard-Perregaux and JeanRichard brands.

François-Henri Pinault declared: *“this operation strengthens PPR's Luxury Group in the high-end watchmaking segment thanks to the potential of such a prestigious brand as Girard-Perregaux. The transaction will support Sowind Group's international growth regarding as well products development as worldwide distribution. This agreement is part of a longstanding business project defined with the Macaluso family, with whom we share an ambitious vision regarding the long-term growth prospects of the high-end watchmaking segment. In this regard, I'm glad to be able to count on Stefano Macaluso as General Manager of Girard-Perregaux and on Massimo Macaluso as General Manager of JeanRichard and Industrial development.”*

“Our choice to see PPR play a bigger role alongside us is fully consistent with my husband's decision in 2008 to consolidate a financial and managerial partnership that would give to an haute horlogerie house like ours the means to grow on the international market”, stressed Monica Mailander Macaluso. “For this reason, our direct involvement in the Group's management remains unchanged, just as our determination to provide our partners with the best know-how, as well in terms of technological innovation as regarding the definition of strategic guidelines for the creation, development and sale of products”.

Sowind Group, three centuries of excellence in Swiss Haute Horlogerie

Based at La Chaux-de-Fonds, Sowind Group is the holding company that includes the *Haute Horlogerie* brands Girard-Perregaux and JeanRichard and also Sowind Manufacture, which develops and produces a complete portfolio of high-end watch movements (more than 100 variants) and collections of mechanical watches. The R&D Centre is the cornerstone of the Group and a large share of the income is re-invested in this.

Girard-Perregaux traces its origins back to 1791 and the history of the brand is marked by numerous inventions that combine design with state-of-the-art technology such as the renowned Tourbillon with Three Gold Bridges created by Constant Girard in the 19th century. Girard-Perregaux operates worldwide with 500 high prestige sales outlets and 11 boutiques.

JeanRichard, a brand dedicated to Daniel JeanRichard (who pioneered watchmaking in the Swiss Jura Mountains during the 17th century) presents an always audacious and innovative interpretation of traditional watchmaking.

About PPR

PPR nurtures a group of high-growth global brands distributed in more than 120 countries. PPR generated revenue of €14.6 billion in 2010, and had approximately 60,000 employees at December 31, 2010. The PPR share is listed on Euronext Paris (FR 0000121485, PRTP.PA, PFPF).

To explore the PPR brand universe, please visit www.ppr.com : the Luxury brands (Gucci, Bottega Veneta, Yves Saint Laurent, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney), the Sport & Lifestyle brands (Puma, Volcom, Cobra, Tretorn and Electric), Fnac and Redcats (La Redoute, Vertbaudet, Somewhere, Cyrillus, Daxon, Ellos, The Sportsman's Guide, The Golf Warehouse and large size division brands).

Contacts

Sowind Group

Press

Xavier Markl

+ 41 (0) 32 911 35 65

xmarkl@sowind.ch

Dimitra Frechelin

+ 41 (0) 32 911 35 85

dfrechelin@sowind.ch

PPR

Press

Charlotte Judet

+33 (0) 1 45 64 65 06

cjudet@ppr.com

Paul Michon

+33 (0) 1 45 64 63 48

pmichon@ppr.com

Analysts/Investors

Alexandre de Brettes

+33 (0) 1 45 64 61 49

adebrettes@ppr.com

Emmanuelle Marque

+33 (0) 1 45 64 63 28

emarque@ppr.com